



FmHA AN No. 2974(1951-S)

February 28, 1994

SUBJECT: Borrower Training Requirements for Primary
Loan Servicing

TO: State Directors, District Directors
and County Supervisors

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to inform Farmers Home Administration (FmHA) field offices of the effects borrower training has on Farmer Programs (FP) borrowers receiving primary loan servicing and how FP borrowers will be notified of the training requirements.

IMPLEMENTATION RESPONSIBILITIES:

Effective February 28, 1994, all FP borrowers who receive primary loan servicing under FmHA Instruction 1951-S will be required to obtain production and financial management training, unless it is waived by the County Committee. Borrowers who were offered primary loan servicing on Exhibit B or F prior to February 28, 1994, will not be subject to these requirements.

All field offices will receive 25 copies of the revised Attachment 1 to Exhibit A to FmHA Instruction 1951-S to replace the Attachment 1 in the 9/93 Loan Servicing Application Package. Additional copies may be ordered through the Finance Office using Stock Number 408. Form 1924-27, "Request for Waiver of Borrower Training Requirements," must also be added to the application package. This form is not required as part of a complete application for loan servicing unless the borrower wishes to apply for a waiver.

Those FP borrowers who received a loan servicing package prior to February 28, 1994, without the revised attachment 1, and/or a decision has not been made on a complete application received for loan servicing as of that date must be notified of the borrower training requirements by sending the attached letter. Borrowers who were notified of an adverse decision (Exhibit E, Attachments 5 and 6, 5A and 6A, 9 and 10, or 9A and 10A of Exhibit A) prior to February 28, 1994, and the decision is/was changed, will also be sent this letter prior to any offer of primary loan servicing being made after February 28, 1994. A similar type letter may be used to send to loan applicants with pending applications for loans not approved by February 28, 1994. Form 1924-27 should be provided with all loan applications.

EXPIRATION DATE: February 28, 1995

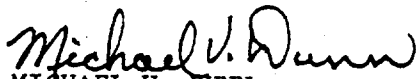
FILING INSTRUCTION:
Preceding FmHA
Instruction 1951-S



Exhibits B and F of FmHA Instruction 1951-S have been revised to insert the appropriate paragraph regarding the County Committee's decision to require and/or waive borrower training. These paragraphs should be modified to specify the actual training required and/or waived. Exhibits B and F in AGCREDIT must be updated to reflect the new revisions.

In accordance with Section 1924.74(b)(7), a training code for each borrower will be entered in an automated tracking system. However, this tracking system is still in development. Therefore, until automation capabilities are available, a copy of Form FmHA 440-2 "County Committee Certification" and/or Form 1924-23 "Agreement to Complete Training" should be placed in a miscellaneous file folder to enter this information in ADPS at a later date.

If you have any questions, please contact the Farmer Programs Loan Servicing and Property Management Division at 202-720-4572.


MICHAEL V. DUNN
Administrator

Attachment

Sent by electronic mail on 3/2/94 at 12:45 pm by GSS. The State Director should advise other personnel as appropriate.

SUBJECT: Borrower Training Requirements

TO: Borrower Name and Address

Dear [salutation]:

Effective February 28, 1994, FmHA's loan servicing regulations were revised to require Farmer Programs borrowers to agree to meet certain training requirements prior to receiving primary loan servicing to restructure their loans. These requirements include training in production and financial management at the your own cost to be completed within two years from the date the loan(s) are restructured.

The County Committee may waive this requirement if you are able to demonstrate that you have adequate training in these areas. To request a waiver of this training requirement, you must complete the enclosed Form FmHA 1924-27 "Request for Waiver of Borrower Training Requirements" and submit with your request for FmHA servicing. If you have already submitted a request for loan servicing and would like to request a waiver before FmHA makes a decision on your application, return this form to the FmHA County Office within 10 days from the date of this letter. If the County Committee denies your request for a waiver or you do not request a waiver, FmHA's offer to restructure your debt will be subject to you agreeing to take the required training as determined by the County Committee.

If you have any questions, please feel free to contact our office at any time.

Sincerely,

County Supervisor

Attachment: Form FmHA 1924-27 "Request for Waiver of Borrower Training Requirements"